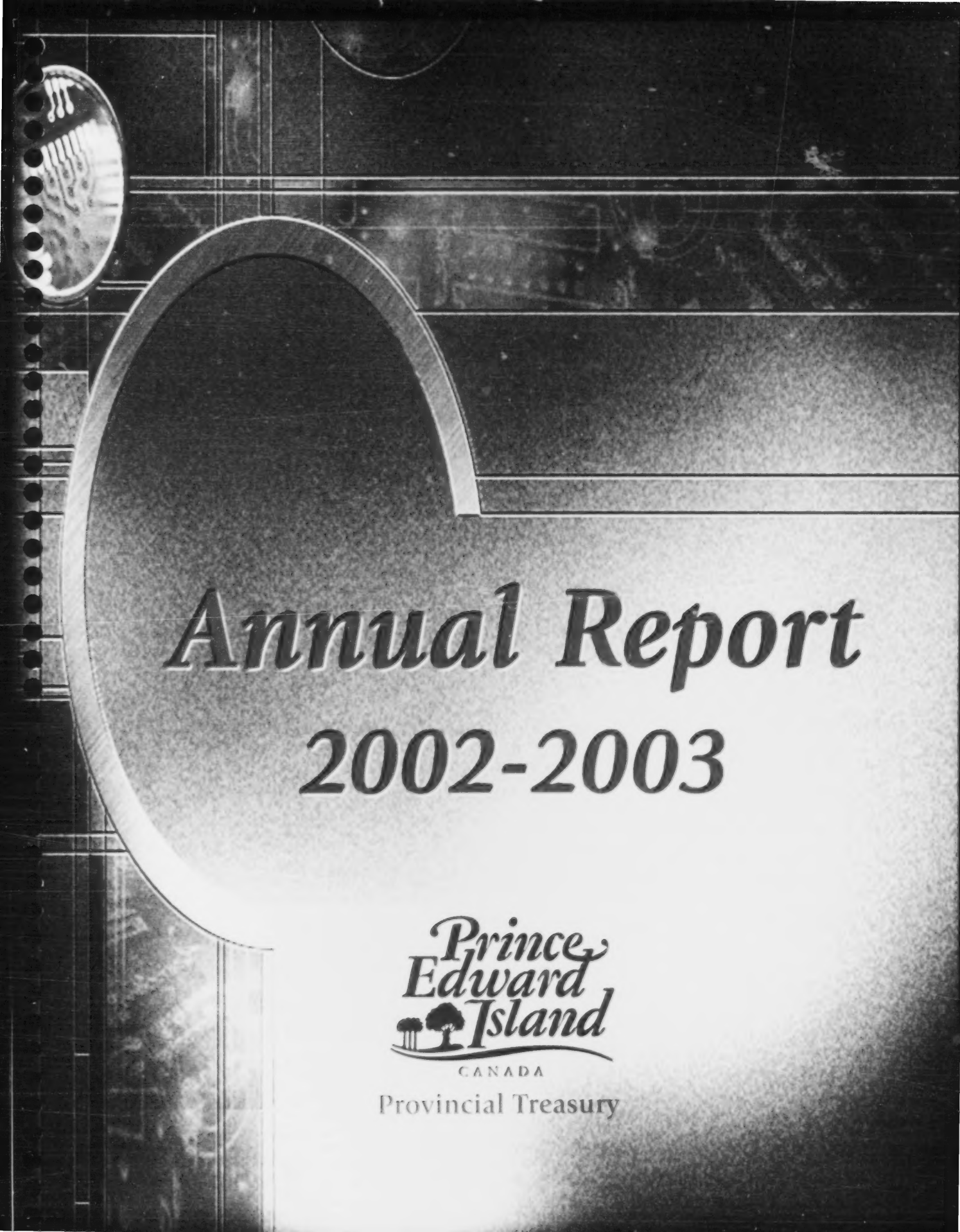


Annual Report 2002-2003

Prince Edward Island

CANADA

Provincial Treasury

104-05473/

Prince Edward Island
Department of the Provincial Treasury

Annual Report

2002-2003

For the Fiscal Year
April 1, 2002, to March 31, 2003

Mandate of the
Department of the Provincial Treasury

The mandate of the ministry is to ensure
that the human and financial resources needed by Government are available,
are allocated in keeping with Government priorities,
and are used in an efficient, effective and accountable way.

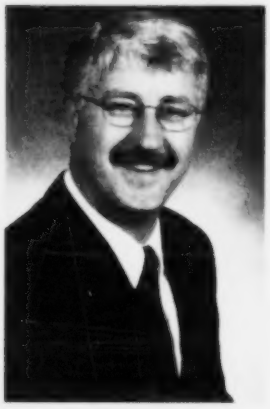
Minister's Message

To the Honourable J. Léonce Bernard
Lieutenant Governor of Prince Edward Island
PO Box 846
Charlottetown, PE C1A 7L9

May it Please Your Honour:

It is my privilege to present the Annual Report of the Department of the Provincial Treasury for the fiscal year ended March 31, 2003.

Respectfully submitted,



P. Mitchell Murphy
Provincial Treasurer

Table of Contents

Page

Operating Principles Adopted by the Staff of the Department of the Provincial Treasury 1

Legislative Responsibilities Assigned to the Provincial Treasurer 3

Deputy Minister's Overview 5

Organizational Chart 7

Departmental Overview 9
- Departmental Profile 9
- Key Result Areas (KRAs) 11

Vue d'ensemble du Ministère 15
- Profil 15
- Points stratégiques 17

Provincial Treasury Financial Summary 21

Divisional Reports
- Economics, Statistics and Federal Fiscal Relations 23
- Fiscal Management 29
- Information Services 33
- Information Technology Management Group 39
- Interministerial Women's Secretariat 45
- Office of the Comptroller 47
- Policy and Evaluation 53
- Taxation and Property Records 57

Appendices
- Appendix A – Provincial Treasury Expenditures 61
- Appendix B – Provincial Treasury Revenue 63
- Appendix C – Other Expenditure Budgetary Responsibilities 65

Operating Principles

Operating Principles Adopted by the Staff of the Department of the Provincial Treasury

Statement of Values

A Team Approach – We work together, sharing information to achieve departmental goals.

Service Quality – We provide our clients with the highest quality of service by seeking their input and advice and designing our services to best meet their needs.

Human Resource Development – We seek training and development opportunities which provide us with the appropriate skills to serve our clients.

Honesty, Integrity and Accountability – We perform our responsibilities in a competent and professional manner with the highest standard of ethical behaviour.

Mission Statement

The Department of the Provincial Treasury facilitates the effective and efficient management of Government's human and financial resources by:

- fostering a progressive approach to the management and development of human resources;
- overseeing the financial affairs of the Provincial Government;
- providing internal support services to public sector organizations;
- leading and facilitating a Government-wide emphasis on program effectiveness and accountability; and
- supporting economic development.

Management Philosophy

We believe in a management approach where we:

- challenge, encourage, empower, support, respect, train and develop employees;
- practice clear and open communication;
- consult and involve employees;
- place strong emphasis on client service;
- encourage a team approach;
- use resources wisely;
- recognize, support and conduct our affairs within the Government's agenda; and
- focus on the future.

Legislative Responsibilities

Legislative Responsibilities Assigned to the Provincial Treasurer

Act	Division Responsible
Appropriation Act	Fiscal Management
Civil Service Act	PEI Public Service Commission
Civil Service Superannuation Act	PEI Public Service Commission
Deposit Receipt Act	Office of the Comptroller
Environment Tax Act	Taxation and Property Records
Financial Administration Act	Policy and Evaluation/Office of the Comptroller/Fiscal Management
Financial Corporation Capital Tax Act	Taxation and Property Records
Gasoline Tax Act	Taxation and Property Records
Health Tax Act	Taxation and Property Records
Income Tax Act	Economics, Statistics and Federal Fiscal Relations
Lending Agency Act	Deputy Minister's Office
Loan Act(s)	Fiscal Management
Lotteries Commission Act	Deputy Minister's Office
Northumberland Strait Crossing Act	Taxation and Property Records
Public Accounting and Auditing Act	Office of the Comptroller
Public Purchasing Act	Office of the Comptroller
Queen's Printer Act	Information Services
Real Property Assessment Act	Taxation and Property Records
Real Property Tax Act	Taxation and Property Records
Registry Act	Taxation and Property Records
Revenue Administration Act	Taxation and Property Records
Revenue Tax Act	Taxation and Property Records
Supplementary Appropriation Act(s)	Fiscal Management

Deputy Minister's Overview

The Honourable Patricia J. Mella
Provincial Treasurer
Province of Prince Edward Island

Honourable Minister:

I am pleased to submit the 2002/2003 Annual Report for the Department of the Provincial Treasury. The Annual Report is intended to focus on accountability for results achieved during the year. This approach in reporting on performance during the 2002/2003 fiscal year supports one of the department's key goals.

A few of the department's accomplishments and activities I wish to highlight are as follows:

- The Internal Financial System was upgraded to provide the Government of PEI with an internet-based infrastructure enabling our Financial System to engage in e-commerce financial transacting.
- Procurement Services designed and implemented a user-friendly, electronic tendering service which advertises tenders and Request for Proposals via the internet on the PEI Government home page. The new system represents an annual cost avoidance of more than $60,000 for PEI-based suppliers.
- The Strategic Marketing and Graphic Design Section worked closely with departments and Acadian and Francophone Affairs/Translation Services to continue the process of converting English-only materials to bilingual format in accordance with the *French Language Services Act*.
- In 2002-2003 PEI chaired the Federal/Provincial/Territorial (FPT) working group on Gender and Health which monitored gender content in publicly funded research, brought attention to gender in national population health indicators and defined emerging issues related to dependent care.
- During the year, staff of the Policy and Evaluation Division up-dated and reviewed existing policies including: Management of Wireless Communications Devices, Honoraria, Elements of Professional Services Contracts, and Risk Management.
- Taxation and Property Records Division has improved client service by renovating the first floor of the Jones building to create a more efficient workspace for staff and the public; reorganized front-line staff of Client Services to improve program delivery; implemented a Corporate Imaging System to create a more efficient use of space and technology; and updated exemption lists for farmers, fishers and aquaculturists.

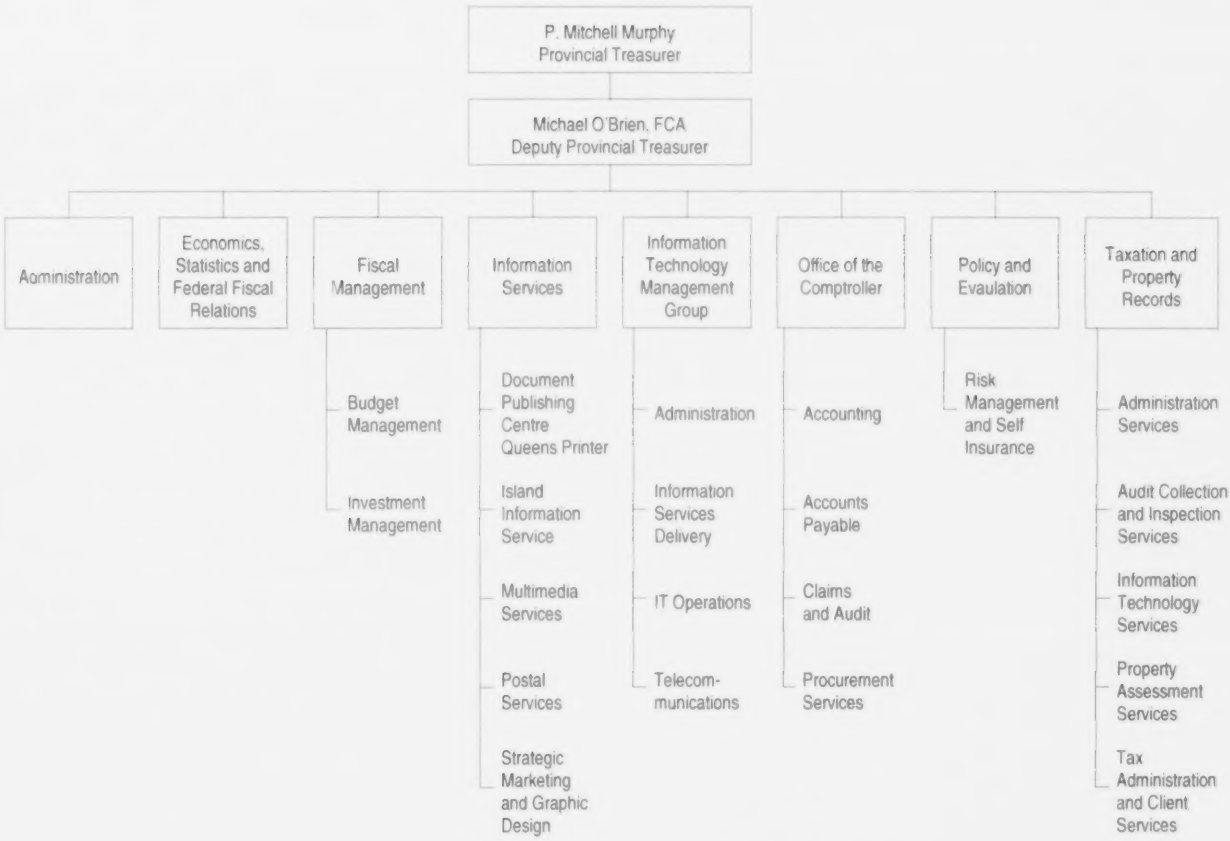
I would like to take this opportunity to recognize and thank the employees of Provincial Treasury for their efforts and dedication over the year and look forward to their continued support.

The department staff remain committed to the mandate and goals established and will manage resources in an efficient and effective manner.

Respectfully submitted,

Michael O'Brien, FCA
Deputy Provincial Treasurer

Organizational Chart



Departmental Overview

Role/Mission

The Department of the Provincial Treasury facilitates the effective and efficient management of Government's human and financial resources. The mission is accomplished through a Team Approach – working together and sharing information to achieve departmental goals.

Departmental Profile

Administration

The Human Resources Section of the Administration Division provides advice and services in human resource management to department staff, managers and directors. Support is provided in the areas of personnel services, employee and organizational development and occupational health and safety issues.

Economics, Statistics and Federal Fiscal Relations

The Economics, Statistics and Federal Fiscal Relations Division provides advice on fiscal, tax, statistical, economic policy and federal fiscal matters. These include major transfer payments, income tax issues, statistical reports and economic analysis for Government. The division provides support to Government generally in its area of experience.

The publication of statistical reports and the dissemination of data is also provided by the division.

Fiscal Management

The Fiscal Management Division provides policy advice on Government expenditures and fiscal planning, develops the annual fiscal framework, prepares the budget estimates of revenue and Expenditure, manages the assets of the pension funds and also manages the cash, debt and Sinking Fund of the Province.

Information Services

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, crown corporations and agencies with a range of communication services.

Information Technology Management Group

The mandate of the Information Technology Management Group is to maximize the return on investment for Government on internal information technology expenditures while assisting our clients in the delivery of information technology solutions. To satisfy the mandate of the division, ITMG provides a broad range of services to Government departments and agencies.

Interministerial Women's Secretariat

The Interministerial Women's Secretariat provides policy analysis and support to the PEI Government in order to promote conditions for legal, health, social and economic gender equality for women and men.

Office of the Comptroller

The Office of the Comptroller Division maintains the Provincial Government's corporate accounting system, is responsible for directing financial control over the Operating Fund, administers a corporate procurement service, and manages the Vehicle Fleet Information System for Government. It administers accounting, financial policies, provides financial advice, maintains the province's financial records and produces the Public Accounts of the province annually for presentation by the Provincial Treasurer to the Legislature and general public. It provides various administrative functions relating to the Reciprocal Tax Agreement, Accounts Payable/Cheque Issuance, Federal/Provincial claims, as well as providing support and advice in matters relating to financial management and policy submissions to Treasury Board and Cabinet.

Policy and Evaluation

The primary role of the Policy and Evaluation Division is to support the department in promoting a corporate approach in management and policy matters with an emphasis on improving accountability and by serving as a secretariat to Treasury Board.

The Risk Management and Insurance Section is responsible for developing, implementing, and maintaining Government insurance and risk management programs with the goal of eliminating or minimizing the potential for loss to Government, associated agencies, and the health and education sectors.

Taxation and Property Records

The Taxation and Property Records Division administers the Province's taxation legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Additional Ministry Responsibilities

The Department of the Provincial Treasury is also responsible for administering the budget allocation for the following "appropriation votes:"

- Employee Benefits
- General Government
- Council of Maritime Premiers
- Interministerial Women's Secretariat
- Interest Charges on Debt
- PEI Lending Agency

Key Result Areas

One of the major incentives in achieving the department's overall mission statement is to **lead and facilitate a Government-wide emphasis on program effectiveness and accountability**. A methodology to achieve the mission was implemented and is referred to as Key Result Areas (KRAs) which means identifying, at the beginning of the year, the targets and specific goals planned for the ensuing year or over the longer term. Each division establishes individual KRAs and the Strategic Plan sets out the KRAs for the department as a whole.

The KRAs provide an accountability model by which the department can be measured. In addition, the KRAs give staff a clear understanding of priorities and direction for the department.

Key Result Area No. 1

Improve Client Service

The Government's Financial system was upgraded to the next version in order to move the Government of PEI to an internet-based infrastructure which enables our Financial System to engage in e-commerce financial transacting. After the upgrade on the production environment, configuration for the i-Procurement and i-Expenses modules was completed in the test system to do the review, testing and implementation of the new e-commerce functionality available with the latest version of Oracle. The i-Procurement project began in the fall to prepare the system for a pilot project to begin in April 2003 for a select number of users preparing requisitions for sourced or contracted items only from a shopping cart Web page.

Taxation and Property Records Division have improved client service by renovating the first floor of the Jones building to create a more efficient workspace for staff and the public; reorganizing the front-line staff of Client Services to improve program delivery to the public; implementing Corporate Imaging System in the registry office to create more efficient use of space and technology; reviewing and updating exemption lists for farmers, fishers and aquaculturists; conducting training sessions for the staff of Access PEI centres to aid in the delivery of front line services; and providing GeoLinc Plus through internet access enabling clients to retrieve valuable property information online.

During FY 2002/2003 Staff of the Policy and Evaluation Division updated and reviewed existing policies including: Management of Wireless Communications Devices, Honoraria, Elements of Professional Services Contracts, and Risk Management. Division staff also facilitated the development of the department's Annual Legislative Work Plan and functioned as the legislative coordinator for the department.

All claims from the January 2000 storm surge were finalized resulting in a total payout of $733,135.54. Auditors from Consulting and Audit Canada have reviewed all files prior to application for payment under the Disaster Financial Assistance Program (DFAA).

Procurement Services designed and implemented an easy-to-use, electronic tendering service which advertises tenders and RAPs via the internet on the PEI Government Web site, and distributes bid documents to vendors at no charge. Among other features, the new service displays all vendors who have requested bid documents, which helps PEI and other vendors identify potential partnerships. The new system represents an annual cost avoidance of more than $60,000 for PEI-based suppliers. In followup, the section distributed a service description and survey to 1,100 PEI businesses.

The Strategic Marketing and Graphic Design Section worked closely with departments and Acadian and Francophone Affairs/Translation Services to continue the process of converting English-only materials to bilingual format in accordance with the *French Language Services Act* receiving the IPAC Award for Excellence in French Language Services/Official Languages.

Key Result Area No. 2

Priority on Human Resources

During the past fiscal year, two candidates from the department were selected to attend the Pathways to Leadership program. The Pathways is Government's corporate 30 month Leadership Development Program directed to aspiring leaders in the public service. Successful candidates develop management and leadership skills in a peer-learning environment. In the three in-takes offered to date, seven candidates have been selected for the program.

Taxation and Property Records Division continues to encourage leadership at all levels by providing staff the opportunity to develop their expertise and gain the necessary qualifications for promotional advancement while enabling the division to identify and develop possible staff replacements. Staff are continuously encouraged to participate in programs and courses offered by providing financial assistance to continue their education and acquire skills.

Taxation and Property Records developed professional development plans for the Business Applications Support Group employees and the Property Assessment Services assessors. Candidates will work on a progression of experience/mentoring and skills development to enhance staff satisfaction by providing opportunities for advancement within the organization. Through employees' professional development plans, training and development needs can be identified.

A review of all IT positions occurred during this past year using the IT industry standard Occupational Skills Profile Model (OSPM). The OSPM model defines a baseline of skills and accountabilities for the occupational roles that exist in information technology work in Canada today.

In 2002-2003 PEI chaired the Federal/Provincial/Territorial (FPT) working group on Gender and Health which monitored gender content in publicly funded research, brought attention to gender in national population health indicators, and defined emerging issues related to dependant care.

During the year, staff of the department continued to take advantage of the personal development opportunities by participating in professional development workshops, course work through the local university, community college, distance education through the internet and by a variety of other learning institutes.

Key Result Area No. 3

Maintain High Level Corporate Approach in Managing Policy Matters

The Economics, Statistics and Federal Fiscal Relations Division organized an International Fiscal Conference on Fiscal Equalization and Economic Development Policy within Federations in conjunction with the Forum of Federations. Experts on fiscal arrangements came to Charlottetown from Australia, United States, Spain, Germany, Switzerland, Argentina, and all Canadian provinces and territories to join Canadian academic and federal experts and to share their countries' experiences with Federal-Provincial-State fiscal relations, with a view to improving Federal-Provincial fiscal arrangements in Canada.

Preliminary work began during the year and significant time was spent in gathering more detailed information for insertion of Fixed Assets in the Statement of Financial Position of the Province. Public Sector Accounting Board recommendations will require the Province to report on this information in the future, and the 2003-04 Budget included information on this class of asset. This preliminary work will lead into a project of implementing a fixed asset module to manage the addition and deletion of fixed assets as well as performing calculations to determine the amortization of these assets.

Key Result Area No. 4

Development and Implementation of IT Systems/Programs to Improve Government's Business Issues

To ensure the province's taxation legislation is administered and applied fairly and consistently, the division must continually review and implement hardware and software changes to enable staff to serve the taxpayer more efficiently.

Key Result Area No. 5

Maximize Provincial Revenue and Investment Returns

A three-year property assessment re-appraisal review of all recreational and shorefront properties on Prince Edward Island was implemented in 2001-2002. A total of 4,900 properties were re-appraised prior to January 1, 2003, and it is anticipated that this reappraisal effort will be completed in 2003/2004.

The division was instrumental in identifying and assisting in recovering $8 million in Provincial Corporate Income Tax rebates.

Following extensive analysis of the growing fiscal imbalance between the Federal Government and provinces in the area of health care, the Federal Government along with the premiers allocated significant new resources to health care in the February 2003 Health Care Accord. The Ceiling on Equalization was eliminated as part of the February 2003 Health Care Accord.

Vue d'ensemble du Ministère

Rôle et mission

Le ministère du Trésor de l'Î.-P.-É. contribue à la gestion efficace et efficiente des ressources humaines et financières du gouvernement. La mission est réalisée par le travail d'équipe – travailler ensemble et partager l'information pour atteindre les objectifs ministériels.

Profil du Ministère

Administration

La Section des ressources humaines de la Division de l'administration fournit aux employés, aux gestionnaires et aux directeurs du Ministère des avis et des services ayant trait à la gestion des ressources humaines. Une aide est offerte dans les domaines suivants : services du personnel, perfectionnement des employés, développement organisationnel et santé et sécurité au travail.

Économie, statistiques et relations financières fédérales

La Division de l'économie, des statistiques et des relations financières fédérales donne des avis sur les politiques financières, fiscales, statistiques et économiques, de même que sur toute autre question financière à l'échelle fédérale. Ces avis portent, entre autres, sur les principaux paiements de transfert, l'impôt sur le revenu, les rapports statistiques et les analyses économiques pour le gouvernement. La Division apporte son soutien général au gouvernement dans son domaine d'expertise. De plus, elle publie des rapports statistiques et diffuse des données.

Gestion financière

La Division de la gestion financière donne des avis stratégiques sur la planification financière et les dépenses du gouvernement, établit le cadre financier annuel, prépare les prévisions budgétaires en matière de revenus et de dépenses, gère les actifs des caisses de retraite et administre les fonds de caisse, de créance et d'amortissement de la province.

Services d'information

La mission de la Division des services d'information consiste à renforcer la messagerie commerciale du gouvernement en fournissant aux ministères et aux sociétés et organismes d'État une gamme de services de communication.

Groupe de la gestion des technologies de l'information

Le mandat du Groupe de la gestion des technologies de l'information consiste à maximiser, pour le gouvernement, le rendement du capital investi à l'interne dans les technologies de l'information, tout en aidant nos clients à appliquer des solutions qui s'y rattachent. Pour respecter le mandat de la Division, le GGTI offre un large éventail de services aux ministères et organismes du gouvernement.

Secrétariat interministériel aux affaires féminines

Le Secrétariat interministériel aux affaires féminines fournit un soutien et des analyses stratégiques au gouvernement de l'Î.-P.-É. dans le but de favoriser l'égalité hommes-femmes sur le plan juridique, social, économique et de la santé.

Bureau du contrôleur

Le Bureau du contrôleur tient le système comptable intégré du gouvernement provincial, est responsable du contrôle financier du fonds de fonctionnement, administre un service d'approvisionnement intégré et gère le système d'information sur le parc automobile pour le gouvernement. La Division administre les politiques comptables et financières, donne des avis financiers, tient les dossiers financiers de la province et produit chaque année les Comptes publics de la province pour fins de présentation par le trésorier de l'Î.-P.-É. à l'assemblée législative et au grand public. Elle remplit diverses fonctions administratives ayant trait à la Convention fiscale réciproque, aux comptes créditeurs, à l'émission de chèques et aux réclamations fédérales-provinciales, et donne de l'aide et des avis à l'égard de questions concernant la gestion financière et les présentations stratégiques au Conseil du Trésor et au Cabinet.

Politiques et évaluation

Le rôle principal de la Division des politiques et de l'évaluation consiste à aider le Ministère à promouvoir une approche intégrée pour les questions liées à la gestion et aux politiques, en mettant l'accent sur l'amélioration de la responsabilisation et en agissant comme un secrétariat pour le Conseil du Trésor.

La Section de la gestion des risques et de l'assurance élabore, met en place et maintient les programmes d'assurance et de gestion des risques du gouvernement dans le but d'éliminer ou de réduire les pertes possibles pour le gouvernement et les organismes associés et dans les secteurs de la santé et de l'éducation.

Imposition et registre des biens

La Division de l'imposition et du registre des biens administre la législation fiscale de la province et s'assure que la législation est appliquée de manière juste et uniforme. De plus, la Division établit et tient des systèmes d'information foncière et perçoit les recettes fiscales.

Autres responsabilités du Ministère

Le ministère du Trésor de l'Î.-P.-É. doit également administrer l'affectation budgétaire pour les crédits suivants :

- Avantages sociaux
- Administration publique
- Conseil des premiers ministres des Maritimes
- Secrétariat interministériel aux affaires féminines
- Frais d'intérêt sur la dette
- Agence de crédit de l'Î.-P.-É.

Secteurs clés

L'un des facteurs qui motivent le plus la réalisation de la mission du Ministère consiste à **diriger et à faciliter les activités qui mettent l'accent, à l'échelle du gouvernement, sur la responsabilisation et l'efficacité des programmes**. Pour réaliser la mission, nous établissons des secteurs clés, c'est-à-dire que nous déterminons, au début de l'année, les objectifs et les buts pour l'année suivante ou pour les années à venir. Chaque division établit ses propres secteurs clés et le plan stratégique présente les secteurs clés pour l'ensemble du Ministère.

Les secteurs clés fournissent un modèle de responsabilisation qui est utilisé pour mesurer le Ministère. De plus, les secteurs clés donnent au personnel une vision claire des priorités et de l'orientation du Ministère.

Secteur clé 1 :

Améliorer le service aux clients

Le système financier du gouvernement a été amélioré par l'installation d'une nouvelle version pour que le gouvernement de l'Î.-P.-É. devienne une infrastructure sur Internet; ainsi notre système financier peut effectuer des transactions financières par voie électronique. Après la mise à niveau de l'environnement de production, les modules d'acquisition-i et de dépenses-i ont été configurés dans le système d'essai pour pouvoir passer en revue, essayer et mettre en place la nouvelle fonctionnalité de commerce électronique qui est disponible dans la plus récente version d'Oracle. Le projet d'acquisition-i a commencé à l'automne dans le but de préparer le système à l'exécution d'un projet pilote à partir d'avril 2003; ce projet pilote viserait un certain nombre d'utilisateurs qui préparent des demandes pour des articles sources ou contractés seulement à partir d'une page Web de type « panier à provisions ».

La Division de l'imposition et du registre des biens a amélioré le service aux clients. Par exemple, elle a rénové le premier étage de l'édifice Jones pour créer un lieu de travail plus efficace pour le personnel et le public; elle a réorganisé le personnel de première ligne des services aux clients pour améliorer l'exécution des programmes à l'intention du public; elle a mis en place un système d'imagerie intégré au bureau d'enregistrement pour utiliser plus efficacement l'espace et la technologie; elle a passé en revue et mis à jour les listes d'exemption pour les agriculteurs, les pêcheurs et les aquiculteurs; elle a tenu des séances de formation à l'intention du personnel des centres Accès Î.-P.-É. pour aider à la prestation des services d'accueil; elle a fourni l'application GeoLinc Plus par Internet pour permettre aux clients de trouver en ligne de l'information immobilière utile.

Durant l'exercice 2002-2003, le personnel de la Division des politiques et de l'évaluation a mis à jour et passé en revue les politiques existantes, y compris les suivantes : gestion des dispositifs de communication sans fil, honoraires, éléments des marchés de services professionnels et gestion des risques. De plus, le personnel de la Division a aidé à l'élaboration du plan de travail législatif annuel du Ministère et a agi en tant que coordonnateur législatif pour le Ministère.

Toutes les réclamations reçues à la suite de la marée de tempête de janvier 2000 ont été traitées; un paiement total de 733 135,54 $ a été versé. Des vérificateurs de Conseils et Vérification Canada ont passé en revue tous les dossiers avant d'effectuer les paiements dans le cadre du Programme d'aide financière en cas de catastrophe (PAFC).

Les Services d'approvisionnement ont conçu et mis en place un service d'appels d'offres électronique, facile à utiliser, qui annonce les appels d'offres et les demandes de propositions sur Internet dans le site Web du gouvernement de l'Î.-P.-É. et qui distribue sans frais des dossiers d'appels d'offres aux fournisseurs. Entre autres, le nouveau service affiche tous les fournisseurs qui ont demandé des dossiers d'appels d'offres, ce qui aide l'Î.-P.-É. et d'autres fournisseurs à déterminer les partenariats possibles. Le nouveau système représente un évitement de coûts annuel de plus de 60 000 $ pour les fournisseurs de l'Î.-P.-É. Et, la Section a distribué une description des services et un sondage à 1 100 entreprises de l'Î.-P.-É.

La Section du marketing stratégique et de la conception graphique a travaillé en étroite collaboration avec les ministères et les Affaires acadiennes et francophones/Services de traduction pour continuer la conversion des documents unilingues anglais en documents bilingues conformément à la *French Language Services Act*; la Section a reçu le prix IAPC d'excellence pour la prestation de services en français/Langues officielles.

Secteur clé 2 :

Donner la priorité aux ressources humaines

Durant le dernier exercice, deux candidats du Ministère ont été choisis pour participer au programme *Pathways to Leadership*. Il s'agit d'un programme de développement du leadership du gouvernement d'une durée de 30 mois qui s'adresse aux futurs leaders dans la fonction publique. Les candidats retenus acquièrent des compétences en gestion et en leadership dans un milieu d'apprentissage faisant appel aux pairs. Dans les trois cours offerts jusqu'à maintenant, sept candidats ont été choisis.

La Division de l'imposition et du registre des biens continue d'encourager le leadership à tous les niveaux en donnant aux employés l'occasion de perfectionner leurs compétences et d'acquérir les qualités nécessaires pour obtenir une promotion, tout en permettant à la Division de prendre les mesures de remplacement possible du personnel. On encourage constamment les employés à participer aux programmes et aux cours offerts en leur fournissant une aide financière pour qu'ils poursuivent leurs études et acquièrent des compétences.

La Division de l'imposition et du registre des biens a élaboré des plans de perfectionnement professionnel pour les employés du Groupe de soutien aux applications commerciales et pour les évaluateurs des Services d'évaluation foncière. Les candidats acquerront de l'expérience, profiteront d'un encadrement et développeront des compétences; la satisfaction du personnel sera améliorée par des occasions de promotion dans l'organisation. Les besoins en formation et en perfectionnement peuvent être cernés dans les plans de perfectionnement professionnel des employés.

Durant le dernier exercice, tous les postes de TI ont fait l'objet d'un examen à l'aide du modèle de profil des compétences professionnelles (MPCP), qui est une norme dans l'industrie des TI. Ce modèle définit une base de compétences et de responsabilités pour les rôles professionnels qui existent actuellement dans les technologies de l'information au Canada.

En 2002-2003, l'Î.-P.-É. a présidé le groupe de travail fédéral-provincial-territorial (FPT) sur la santé des hommes et des femmes qui s'est penché sur l'équilibre hommes-femmes dans le contenu des recherches financées par l'État, qui a attiré l'attention sur l'égalité hommes-femmes dans les indicateurs nationaux de la santé de la population et qui a cerné de nouveaux enjeux concernant la garde de personnes à charge.

Durant l'année, le personnel du Ministère a continué de profiter d'occasions de développement personnel en participant à des ateliers de perfectionnement professionnel et en

suivant des cours à l'université et au collège communautaire et un apprentissage à distance sur Internet et dans divers établissements d'enseignement.

Secteur clé 3 :

Maintenir une approche intégrée de haut niveau en ce qui a trait à la gestion des enjeux stratégiques

La Division de l'économie, des statistiques et des relations financières fédérales a organisé une conférence internationale sur la péréquation fiscale et la politique de développement économique à l'intérieur des fédérations, conjointement avec le Forum des fédérations. Des experts des accords fiscaux provenant de l'Australie, des États-Unis, de l'Espagne, de l'Allemagne, de la Suisse, de l'Argentine et des provinces et territoires du Canada se sont réunis à Charlottetown pour rencontrer des experts universitaires et fédéraux du Canada et pour partager les expériences de leurs pays dans le domaine des relations financières à l'échelon du fédéral, des provinces et des états, dans le but d'améliorer les accords fiscaux fédéraux-provinciaux au Canada.

Les travaux préliminaires ont commencé durant l'année et beaucoup de temps a été consacré à la collecte de renseignements plus détaillés, pour fins d'inclusion des immobilisations dans l'état de la situation financière de la province. Selon les recommandations du Conseil sur la comptabilité dans le secteur public, la province devra ultérieurement rendre compte de cette information; le budget de 2003-2004 inclut de l'information sur cette catégorie d'immobilisation. Ces travaux préliminaires permettront de réaliser un projet dans le cadre duquel on mettra en place un module d'immobilisations pour gérer l'ajout et la suppression d'immobilisations et on effectuera des calculs pour déterminer l'amortissement de ces actifs.

Secteur clé 4 :

Élaborer et mettre en place des programmes et des systèmes de TI pour améliorer les affaires du gouvernement

Pour s'assurer que la législation d'imposition de la province est administrée et appliquée de manière juste et uniforme, la Division doit continuellement examiner et apporter des changements au matériel et aux logiciels pour que les employés puissent offrir un service plus efficace aux contribuables.

Secteur clé 5 :

Maximiser les recettes et le rendement du capital investi de la province

Un examen de réévaluation de toutes les propriétés de loisirs et côtières à l'Île-du-Prince-Édouard, d'une durée de trois ans, a commencé en 2001-2002. Au total, 4 900 propriétés ont été réévaluées avant le 1er janvier 2003, et on prévoit que cette réévaluation sera terminée en 2003-2004.

La Division a joué un rôle clé dans la détermination et le recouvrement d'un montant de 8 millions de dollars en rabais visant l'impôt des sociétés dans la province.

Après une analyse approfondie du déséquilibre budgétaire croissant entre le gouvernement fédéral et les provinces dans le secteur de la santé, le gouvernement fédéral et les premiers ministres des provinces ont affecté de nouvelles ressources dans le secteur de la santé dans le cadre de l'Accord sur les soins de santé de février 2003. Et, le plafond sur la péréquation a été éliminé dans le cadre de l'Accord sur les soins de santé de février 2003.

Provincial Treasury
Financial Summary

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
Expenditure by Division*			
Administration	450,640	529,300	544,300
Fiscal Management	972,199	1,022,800	1,028,200
Policy and Evaluation	524,404	527,700	527,600
Taxation and Property Records	5,798,624	5,803,800	5,927,000
Office of the Comptroller	1,706,191	1,441,400	1,507,000
Information Services	3,361,917	3,474,900	3,566,900
Economics, Statistics and Federal Fiscal Relations	344,076	363,800	475,400
Information Technology Management Group	5,071,228	5,058,400	5,202,100
Total Department Expenditures	**18,229,280**	**18,222,100**	**18,778,500**
Other Budgetary Responsibilities**			
General Government	11,081,338	4,224,600	8,074,600
Interministerial Women's Secretariat	285,869	300,300	299,700
Council of Maritime Premiers	183,078		183,700
Interest Charges on Debt	100,934,519	100,900,000	106,500,000
Revenue*			
Federal Sources	312,543,066		344,940,000
Provincial Sources	506,757,708		502,317,000
Investment Revenue	13,833,155		13,105,800

* Detailed budgetary information is included in Appendixes A and B.

** Detailed budgetary information is included in Appendix C.

Economics, Statistics and Federal Fiscal Relations

Role/Mission

The Economics, Statistics and Federal Fiscal Relations Division strives to provide research, analytical expertise and advice at the highest professional standards to the department and Government generally on a wide range of tax, statistical, economic policy and federal-provincial fiscal matters. The major focus of the division is on federal transfer payments, income tax issues, statistical reports and economic analysis for Government. The division's role includes responsibility for analysing, researching and publishing key statistical information/data, and in disseminating statistics across Government. The division represents the Province in discussions with the Federal Government and provinces and territories on a variety of key federal-provincial fiscal arrangements, supports the Provincial Treasurer and Deputy Provincial Treasurer at high level meetings on these subjects, and promotes the interests of Prince Edward Island in public and academic circles. The work includes discussions with bond rating agencies.

Overview

Federal Fiscal Relations

Interprovincial work on fiscal transfers, the equalization program and revenue forecasting

The most prominent aspects of federal-provincial fiscal arrangements are Equalization, Canada Health and Social Transfer, the Income Tax Collection Agreement, the Reciprocal Taxation Agreement, Fiscal Stabilization and Statutory Subsidies. Revenue associated with these arrangements valued $539.7 million in the year 2002-2003, or 54.7 per cent of total provincial revenues. Extensive liaison with the federal Department of Finance and the Canada Customs and Revenue Agency is involved in this work. In addition, the division represents the Province at provincial/territorial and Atlantic finance officials' meetings in preparation for ministerial discussions, as well as various public engagements.

The work includes conducting research on a wide variety of issues concerning federal-provincial fiscal relations. This involves developing and analysing models of federal programs, most notably Equalization and CHST. Participation at academic policy institute meetings is also involved. An International Fiscal Conference on Fiscal Equalization and Economic Development Policy within Federations was organized by the division on behalf of the Government of Prince Edward Island in conjunction with the Forum of Federations held in Charlottetown on October 28 and 29, 2002. Experts on fiscal arrangements came to Charlottetown from Australia, USA, Spain, Germany, Switzerland, Argentina, and all Canadian provinces and territories to join Canadian academic and federal experts at the conference. These included internationally respected Professor Ronald Watts from Queen's University. The conference led to an invitation to the Provincial Treasurer and the director of the division to attend a federally-sponsored Roundtable on Fiscal Federalism in Buenos Aires, November 18 and 19, which was sponsored by the Canadian Embassy in Argentina.

Provincial Economics

The preparation of economic outlooks, publishing the PEI Economy Progress Report, and periodic reports for public dissemination

The PEI Economy Progress Report 2002 was published in November 2002. It features an analysis of the economy of the first nine months in 2002 supplemented with many colour graphs and charts for the reader's interest. The provincial economic forecasting model, which is used to monitor and forecast economic growth, continues to be refined.

Tax Policy

Analytical research on tax policy issues

The division is responsible for the provincial Personal Income Tax (PIT) and Corporate Income Tax (CIT), which are administered through the Federal-Provincial Tax Collection Agreement. The division continued to work with the federal Department of Finance and Canada Customs and Revenue Agency, but due to the resignation of the Tax Policy Economist in February 2002, most major issues were delayed until a replacement was employed in 2003. Short-term assistance was provided by a staff member from Policy and Evaluation Division. The division also advises other provincial departments on tax issues, as required.

Statistics

The availability of statistical information to Government officials on the Government Intranet and to the public via the Government Internet Web site was improved

These sites are updated monthly. Statistical support for the Provincial Government continues as a priority.

As the statistical focal point for PEI, the division maintains a close working relationship with Statistics Canada on statistical matters. Statistical information is released to the public via the Government Internet Web site (***www.gov.pe.ca/infopei/Statistics/index.php3***), while more detailed information is provided to Government officials on the Intranet (***iis.peigov/gov't/pt/index.html***). The division also uses these sites to disseminate publications authored by the division, such as:

- The Annual Statistical Review
- 2001 Census release announcements
- Statistics Canada Releases New GDP Data
- Statistics Canada Releases 2002 Farm Cash Receipts
- The PEI Economy Progress Report
- PEI Census Population by Health Region
- Population Projections for PEI
- Summary of Selected Economic Indicators
- A Note on the Release of 2001 Census of Agriculture Data
- An Explanation of Gross Domestic Product at Basic Prices
- A New Constant Dollar Measure for National Accounts

Navigation of the Government Web site has been simplified by directly linking it to Statistics Canada's Web site making many data sources available to the public including the first release of 2001 Census data in March 2002.

Report Highlights

Improved Funding for Health

Following extensive analysis of the growing fiscal imbalance between the Federal Government and provinces in the area of health care, the Federal Government along with the premiers allocated significant new resources to health care in the February 2003 Health Care Accord. The Ceiling on Equalization was eliminated as part of the February 2003 Health Care Accord.

Atlantic Finance Meetings

The division continues as a prime mover in encouraging the Atlantic finance departments to work cooperatively on federal fiscal issues. This led to the establishment of regular meetings of Atlantic finance ministers. The Atlantic Provinces Finance Officials met in Halifax on July 9 in preparation for Atlantic Finance Ministers meeting in Moncton, July 15, 2002.

Federal-Provincial Fiscal Issues/Transfers

The division continues to research and prepare various economic papers on fiscal needs of the Province and to develop position and discussion papers on the role of federal transfers. Responsibilities include Equalization and the Canada Health and Social Transfer, related policy issues, revenue forecasts, federal/provincial reviews, social union discussions, health services, reports for provincial budgets, and monthly revenue monitoring.

The February 2003 Health Care Arrangement improved federal funding for health and social programs and also proposed splitting the CHST into a Health Transfer and Social Services Transfer. The division continues to be involved in discussions with the federal department of Finance regarding the implementation of the February 2003 Health Care Accord and the splitting of CHST into a Health Transfer and Social Transfer.

The division worked on the decision to increase tax on cigarettes for the April 10, 2003, budget. The tax increase was the most aggressive tobacco tax increase in PEI history, designed to reduce smoking among Islanders.

The division participates in communication strategies to defend provincial fiscal interests at the national level. The division also participates in joint exercises with Atlantic finance counterparts.

The division has worked closely with the Provincial Treasurer and Intergovernmental Affairs in preparing the Premier for First Ministers meetings and, in particular, focus on the Equalization program. Reports on Equalization and CHST issues were prepared for the annual Premiers Conference in Toronto on January 23, 2003.

The division also represented the Province at federal-provincial meetings on the Canada Pension Plan in Victoria, September 2002, and with a conference call in November 2002.

The division supported the minister and deputy at Provincial/Territorial Finance Ministers' meetings in Corner Brook, April 25 and 26; and in Ottawa, December 17 and 18, 2002.

On August 2, 2002, Senior Analyst Annette Ryan resigned from the division to join the Federal Government in Ottawa. Nigel Burns, previously the fiscal economist, moved into the senior analyst position leaving a vacancy in the fiscal economist position, which was filled on January 6, 2003, by Jamie Dooks.

Tax Policy Issues

The Tax Policy Economist position was vacant during 2002-2003. Duties associated with this position were allocated within the division with support from the Policy and Evaluation Division.

In the absence of the Tax Policy Economist, the Senior Analyst participated in a meeting in April 2002 with Canada Customs and Revenue Agency staff on Corporate Tax Issues, as well as a Technical Tax Policy meeting in December 2002, and a Data Needs Conference on Personal and Corporate Income Tax meeting in February 2003.

As usual, advice on budgetary measures and input to the Provincial Budget were provided.

Provincial Budget Program

The division participated intensively in the Provincial Budget process. Papers prepared by the division for the Budget Address included:

- *Budget Paper A: Background Notes on the Economy*, consisting of National and International Review, Provincial Highlights 2002, the Prince Edward Island Economy, Detailed Industry Analysis, and Summary Statistics;
- *Budget Paper B: Federal Fiscal Issues* consisting of the 2003 First Ministers Health Accord, The Equalization Program, 2001 Census of Population and Resolution of the Federal Misallocation of Income Tax Revenue.

Extensive input into the Budget Address was also provided. Budget schedules prepared by the division consisted of: Summary Comparison – Provincial Tax Rates, and Federal and Provincial Personal Income Tax Rates.

The division delivered reports to Budget Cabinet on the economy and federal fiscal transfers.

Statistical Activities

The division develops strategies to further improve data dissemination. It continues to develop key information for senior Government officials via the inter-departmental Intranet Web site including further research and development of demographic models.

Statistical activities include:

- a dissemination strategy for management and the Province;
- demographic forecasts;
- statistical publications and reports with monthly updates on the Intranet;
- representation at Statistics Canada meetings;
- maintenance of databases and report storage facilities;
- responses to public and Government department requests including participation in special projects; and
- analyses of specific statistical concerns.

The population model continues to be a popular tool for population projection as shown by the numerous requests for data and projections for the province, its counties and health regions. The *Annual Statistical Review* and the Intranet Web site were revised to include this information.

Additional free data sources from Statistics Canada have been linked to the Government Internet Web site, especially data from the 2001 Census. Most documents are now published electronically by Statistics Canada, which are archived by division staff to form a local electronic library. New formats were developed to access this information.

A detailed Input-Output model, made possible by a bilateral agreement between Statistics Canada and the Province, enables the division to provide a more thorough analysis of the Island economy.

National Economic Issues

Responsibilities include:

- providing advice on the Federal Budget and federal fiscal position,
- T3 overpayments issue,
- Bank of Canada monetary policy,
- federal indebtedness,
- interest rates and Canadian dollar,
- national economic performance,
- U.S. and other countries,
- Kyoto,
- Romanow Report, and
- aboriginal tax issues.

Canada Pension Plan

Responsibilities include advice to minister and deputy on financial issues. The Province participates in CPP policy discussions through representation by the division.

Federal Finance Meetings

Responsibilities include preparation of material and attendance at deputies' and ministerial discussions on transfer, tax policy and fiscal issues generally. Fiscal federalism meetings were attended by staff.

Economic Outlook

Responsibilities include:

- preparation and publication of the Progress Report,
- tracking private sector forecasts and outlooks,
- input-output analysis,
- economic report for the provincial budget and periodic reports for public dissemination,
- bond rating discussions and presentations, and
- reports to the Federal Department of Finance.

Moody's Investment Services upgraded the Island's credit rating to an A2 rating in May 2002.

The division was involved in:

- presentations to Moody's Bond Rating Agency, Standards and Poor,
- Quebec Finance Minister's visit,
- Master Trust and Masonry presentations,
- CANMAC Input-Output model of PEI Economy, and
- a paper prepared for Fiscal Arrangements Committee meeting on Equalization ceiling.

The new fiscal economist began employment in early January 2003. His responsibilities included utilizing the provincial economic forecasting model to estimate the value of GDP for 2002 and to provide a forecast for 2003. Report preparation included working on an internal economic outlook document to assist the division prepare economic reports and statements for the provincial budget. Other responsibilities included tracking private and public sector outlooks and forecasts.

Economic Development

The division collaborated with the departments of Development and Technology and Intergovernmental Affairs in the preparation of a comprehensive report to the Strategic Planning Committee on Economic Policy concerning the economic future of Prince Edward Island presented in April 2002.

Other Activities

Some of these activities include attending corporate leadership sessions on Workforce Adjustment Planning, and attending several PEI Managers' Network presentations dealing with inspiring and motivating workplaces. Staff also participated on the departmental Employee Council, Wellness Committee/Lifestyle Awareness Program, and Occupational Health and Safety Committee.

Fiscal Management

Role/Mission

The mandate of the Fiscal Management Division is to provide excellence in the management of the financial resources of Government. The division is also mandated to ensure that public funds are properly budgeted and monitored. The mandate of the division requires that the return on Government's investments is maximized, and that cash and debt management costs are minimized within established risk tolerances.

Overview

Budget Management

The Budget Management Section is responsible for the preparation and coordination of the Provincial Budget, which assists Government in the overall financial plan for the Province.

The section also provides technical support and policy advice on various aspects of Government fiscal planning.

Under the direction of Government, the section prepares the annual Estimates of Revenue and Expenditure; develops, implements and reviews budgetary systems and quarterly forecasts; manages the appropriation control system; and formulates and implements expenditure limitation and control policies as directed by Treasury Board and/or Executive Council.

The Budget Management Section analyses, assesses and monitors all financial, personnel, administrative proposals and issues for overall budgetary impacts.

Investment Management

The Investment Management Section is responsible for the day-to-day banking for the Province. This section is involved with the development of short-, mid- and long-term debt management strategies. These strategies include making arrangements for: cash management, project financing, issuance of public debt and asset/liability management for crown corporation debt.

Attached to all semi-annual pay debentures of the Province is a provision for sinking fund payments used for principal repayment. These sinking funds, which are set aside annually, are also managed by the Investment Section. These monies are invested under guidelines set out in the *Financial Administration Act* and are tightly controlled by an internal Sinking Fund Policy which is reviewed regularly.

The pension monies for four funds are managed under an "umbrella trust" which is monitored and controlled by the Investment Section staff. Although the Investment Section does not directly invest the pension monies as it does for the Sinking Fund, it does act as the manager of external managers. This work includes setting up and monitoring investment guidelines and daily monitoring the assets and money flows of the managers and the trust itself.

Report Highlights

Budget Accomplishments in 2002-2003

The Budget Section successfully tabled the 2003 Budget Address, Budget Estimates of Revenue and Expenditure, *2003 Appropriation Act* with the supporting Supplementary Estimates. These documents were created with input from all departments/agencies and crown corporations.

Consolidation refers to the preparation of budget or financial statements to include the results of its own operations, as well as the results of operations of its subsidiary entities. The Province has prepared consolidated Financial Statements for several years, however, the Budget Estimates were not prepared on a full-consolidated basis. The Budget Section has prepared and successfully tabled the Province's first Consolidated Budget presented on a full-accrual basis which now capitalizes and amortizes tangible capital assets.

Now that the Oracle Financial Analyzer (OFA) has been implemented as the Province's computerized budgeting tool, staff of the section have held training sessions for departmental staff end-users throughout Government. These staff are responsible for the maintenance and preparation of budgets and forecasts that are eventually provided to the Budget Section to satisfy the formal call to budget for Budget Cabinet. An OFA Training Manual has been developed for OFA end-users to aid them in the preparation of departmental budgets and forecasts.

A new Salary Spreadsheet was successfully implemented to give staff throughout Government a useful tool to enhance budget reporting and to manage salaries which represent a significant percentage of overall Government expenditures.

The Budget Section was instrumental in establishing regular budget meetings with its Atlantic counterparts.

Debt and Investment Accomplishments in 2002-2003

The Province issued a $100 million debenture with an interest (coupon) rate of 6.10 per cent. The debenture is for 25 years and matures on July 29, 2027. The funds raised by the sale of the debenture were used to match liabilities to assets, that is, school construction, health facilities, road construction, and loans to crown corporations.

This past year, the Investment Section modified its method of issuing Treasury Notes. These modifications are the result of technological improvements made by the Royal Bank of Canada (RBC), the Province's primary bank. Implementation will keep Provincial Treasury current and competitive with changes made in financial markets. Cost savings are expected to be realized due to these changes.

A sinking fund is a sum of money set aside, usually annually, by the issuer of a debenture to repay all or part of the debt upon maturity. A sinking fund provides funds to partially or fully retire debt upon maturity and reduces the possibility of having to refinance debt at a time when interest rates are high. The primary objective of a sinking fund is, therefore, the accumulation and preservation of assets for debt retirement.

A revised Sinking Fund policy was prepared during the year. The revised policy reduces the amount of resources required to manage the Sinking Fund, and simplifies operations. Under the new *Sinking Fund Investment Policies and Guidelines* capital preservation is maintained, and an Investment Advisory Committee is established to monitor the return on investment and ensure efficiency.

Bond Rating

The division is the focal point for all consultations with bond rating firms. During the 2002/2003 year, the division provided information to three bond rating agencies. The Province received an upgrade from Moody's Investor Service and all three long-term credit ratings now fall into the "A" category. The Province's short-term credit rating is R-1 (low), considered by the Dominion Bond Rating Service to be prime credit quality. The confirmation dates for these ratings appear below.

Bonds and preferred stock which are rated A possess many favourable investment attributes and are to be considered as upper-medium-grade obligations.

Both Dominion Bond Rating Service (DBRS) and Standard & Poor's (S&P) confirmed their credit ratings in January. These consecutive improved ratings for the Province continue to send a good signal to Canadians that Prince Edward Island is a good and sound place for investment.

Summary of Bond Ratings for PEI

Bond Raters	Short-term Rating	Long-term Rating	Confirmation Date
Moody's	--	A2	September 2002
DBRS	R-1 (low)	A (low)	January 2003
S&P	--	A	January 2003

French Services Implementation Plan

The Government of Prince Edward Island is committed to providing French language services to the public. The effective delivery of these services depends on how we work together to foster our relationship with the French community. The Department of the Provincial Treasury designed a Language Skills Inventory Questionnaire and encouraged all staff of the department to complete the questionnaire. The information that was gathered will be used for statistical purposes.

The questionnaire answered such questions as first language, formal French language training, interest in French language training and at what level of language training would be considered of interest. The questionnaire provided a French language skills inventory of the staff of the department.

Information Services

Role/Mission

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, crown corporations and agencies with a range of communication services.

Overview

Multimedia Services

Multimedia Services provides various audio-visual and technical support services to all Government departments and agencies as well as the Legislative Assembly, the Supreme and Provincial courts and Island schools. Services include video and radio production, photography services, multimedia consultation, new media design, equipment maintenance, media-monitoring service, public announcement (PA) and media feeds for news conferences and events, short-term loan of audio-visual equipment, and data-entry services. The Provincial Government's community outreach program, *Island Focus*, is also produced by staff of Multimedia Services.

The Document Publishing Centre (Queen's Printer) and Postal Services

The Document Publishing Centre provides professional services to clients including: digital, on-demand, high-speed electronic printing; networking capabilities; full-colour photocopying; offset press printing; bindery services; consulting services for acquisitions of photocopiers; as well as a print shop management system charge-back service.

Postal Services provides in-house processing of all Provincial Government mail by sorting and distributing incoming mail, bursting and trimming forms, inserting and stamping services, cheque signing, processing of outgoing mail for Canada Post, Island-wide courier services to all Provincial Government departments and affiliates, as well as, monthly statements and charge backs through the postal management system.

Strategic Marketing and Graphic Design Services and Island Information Service

These two sections of Information Services provide service to all Government departments and agencies in the following areas:

Strategic Marketing and Communications Plans – the section develops and implements strategic marketing, communications and media plans for departments, agencies and specific events.

Advertising Design and Production – the section advises on strategic copy and prepares the layout and artwork according to the mechanical specifications of the print media and in accordance with the Government of PEI's corporate identity guidelines.

Document Design and Layout – the section prepares artwork for the production of newsletters, brochures, invitations, certificates, annual reports, application forms, directories, trade show displays and posters.

News Releases – the section advises on, and in some instances prepares, news releases for distribution to the media through Island Information Service.

Promotional Products – the section designs and/or sources promotional and incentive materials to be used at trade shows, as ministerial gifts or for departmental promotions.

Wordmark Guidelines – the section advises the rest of Government on the accepted use of the Provincial Government wordmark; provides electronic formats to outside parties when requested; provides staff workshops on the use of the wordmark; and monitors the use of the wordmark in advertising, signage, brochures, newsletters, letterhead, envelopes, business cards and displays.

Editing Service – the section edits and proofreads departmental documents intended for publication and distribution to the public.

Island Information Service is the official distributor of Government news releases to the media. IIS responds to inquiries from the general public and other Government employees for information on Government services, programs and other general information. IIS maintains an inventory and distributes Government publications including the Throne Speech, Provincial Budget, annual reports and provincial legislation. IIS produces the Government Services Directory, Quick Reference Guide, Employee Telephone Directory and assembles the content for the Government Blue Pages published in the Island Tel phone book. IIS also provides a centralized fax service for departments without fax capability.

Multimedia Services

The section was a beehive of activity in the fiscal year 2002-2003 with an increase in the wide variety of services provided to Government departments, agencies, school districts, supreme and provincial courts.

Video Production

The unit produced 27 one-half-hour Island Focus TV programs, as well as other videos and commercials:

- Best Start Video,
- PEI Colt Stakes,
- commercial for the Department of Education,
- Fisheries commercial,
- Litter Awareness commercial,
- PAP Screening commercial,
- Gateway Village commercial,
- Craft tour commercial,
- Winter Driving commercial,
- Safe Cellular Phone commercial, and
- Golf commercial.

We produced five vignettes for the Atlantic Technology Centre opening and the section handled all the audio visual support for the grand opening of the centre. We also provided camera operator support for the Legislative Assembly.

Equipment Loan

1,477 pieces of audio-visual equipment were loaned to Government departments and agencies. 390 of these were data projectors and laptops. We also provided client consultation services for special events and audio-video system upgrades.

Photography

- 385 photo shoots
- 33 other assignments – film processing, reprints, retouching, digital images
- 1,300 high resolution 35mm scans

We also provided photo service for the Maritime Premiers' Conference and for two trade missions to New York.

Repair Service and Technical Support for Special Events

- 330 in-shop repairs
- 112 service calls to schools and Government departments across the Island
- 65 special events setup and support for Government conferences, etc.
- 76 press conferences

Data Entry
The unit provides a central data-processing service for a number of Government departments and agencies, as follows:

- Oracle - Department of Development
- Land Valuation - Provincial Treasury
- Property Payments - Provincial Treasury
- Cheque Management System - Health and Social Services
- Immunization cards - Public Health
- Media Monitoring - Provincial Treasury (Multimedia Services)
- Personnel Leave Forms - Information Services Division

The Document Publishing Centre and Postal Services (Queen's Printer)

This section had a progressive fiscal year. We completed 6,052 projects in total, working in conjunction with all Government departments, agencies and crown corporations to provide print production and postal services. Upgraded technology helped the section's employees to work more efficiently toward our number one priority: producing high quality documents, in a timely manner, for our customers. Most importantly, the staff continued to work hard and consistently exceeded expectations.

Document Publishing Centre
General Duties – The staff provided digital production printing, networked print requirements from Government areas throughout the province, produced and printed variable data applications, produced digital full-colour printing and offset-press printing, operated bindery services, and offered print consultation to clients. The section also includes the Queen's Printer, who is responsible for publishing the laws of the province under the *Queen's Printer Act* and Regulations.

Technology – We acquired a two-colour press, a digital platemaker, and a second colour head and envelope feeder for the Itek printing press. These have been used to produce high-quality two-colour, three-colour and full-colour printed documents. We also acquired a second 490 digital printer to complement our print-on-demand service. In addition, we upgraded our word-processing software.

Documents – Over the fiscal year, our publications have included the following:

- the daily Hansard and Question Period minutes,
- bills for the legislature,
- hard bound volumes including the Acts of PEI,
- the Journal of the Legislative Assembly,
- Budget Estimates,
- the Budget Speech,
- Public Accounts,
- The Speech from the Throne,
- the Auditor General's report,
- the Departmental Annual reports,
- the Family Violence Prevention report, and
- the weekly Royal Gazette.

Postal Services

The staff received, sorted and delivered internal mail, provided stamping and insertion services, processed out-going mail for Federal Canada Post, oversaw tenders for Island-wide courier services, and provided sorting services for all Provincial Government mail.

In summation, the Document Publishing Centre and Postal Services Section continues to take immense pride in the quality of our services.

Strategic Marketing and Graphic Design and Island Information Service

During the year the section executed over 2,578 separate projects for the Premier's Office, Government departments, agencies and crown corporations. Island Information Service issued 615 news releases and 82 media advisories for Government. They also sent out 668 PEI information packages to students across Canada doing school projects.

The section also worked closely with departments and Acadian and Francophone Affairs/Translation Services to continue the process of converting English-only materials to bilingual format in accordance with the *French Language Services Act* receiving the IPAC Award for Excellence in French Language Services/Official Languages.

The section continued to carry out electronic production and delivery of Government ads for print media.

Strategic Marketing and Graphic Design continued to enhance in-house computer graphic design capabilities through upgrades of Macintosh equipment and software, and staff training. Two-, three- and full-colour design work increased by 20 per cent over the previous year.

Staff of both areas attended a combined total of 48 separate professional development workshops and one member is registered in the Management Development Program at UPEI.

Staff provided planning and creative support including design and production of artwork for various marketing materials for such projects as:

- 911 Atlantic Conference Materials
- Aboriginal Day Poster
- Agricultural Awareness Calendar
- Annual Reports
- Apprenticeship Display Booth
- Aquaculture Canada 2002 Conference ad
- Baby Help
- Communications Guidelines Manual
- Contemporary Pastimes brochure and poster for Eptek exhibition
- Corporate Communications Stylebook
- Cradled on the Waves
- Diversity and Equity Policy and Poster
- Education PD Day
- Employee Innovation Awards
- Employee Handbook
- Entre Prof Newsletter
- Environmental Awards
- FPT Conference Logo for Agriculture
- French Awareness Week
- Great Seal Brochure
- Harness Racing ad
- Healthy Eating Week Ad
- International Women's Day ad
- Island Focus Summer 2002 Poster
- Lending Agency Brochure
- Let's Talk About ... literacy brochures
- Lieutenant Governor's IPAC Award Nutrition Survey Cover
- PEI Civic Address Reference Atlas
- Speech From the Throne
- State of the Forest Report
- Summer at the Library poster series
- Symbols of PEI
- Vision Statement for division staff of Health and Social Services
- Wine Festival

Information Technology Management Group

Role/Mission

The mandate of the Information Technology Management Group is to maximize the return on investment for Government on internal information technology expenditures while assisting our clients in the delivery of information technology solutions. To satisfy the mandate of the division, ITMG provides a broad range of services to Government departments and agencies. To deliver these services, the division is organized into five sections.

Overview

Office of the Chief Information Officer

The Chief Information Officer (CIO) is responsible for providing leadership and setting the strategic direction for IT in Government. Staff of the Office of the CIO are responsible for IT Security, IT Strategic Planning and Policy Development, and IT Human Resource Planning.

Administration

The Administration Section provides administrative, financial, and personnel services to the division.

Information Systems Delivery

Information Systems Delivery (ISD) provides support to various Government departments and agencies in a wide range of information technology/business activities. This is accomplished through planning, development, implementation, maintenance, enhancement and support of information systems using traditional and new technologies.

IT Operations

The IT Operations Section is responsible for management of the corporate central processing facilities; provision of technical support for computer hardware and software for workstations and special and general purpose servers, and leadership in the development of technology standards and guidelines.

Telecommunications

The Telecommunications Section is responsible for providing a leadership role in voice, data, and hybrid network services. The section oversees the provisioning and management of telephone and mobile communication services across Government and plays a key role in data communication planning and operations. The section also provides telecommunication consulting and project management services.

Key Result Areas Identified

- Leadership in Information Technology
- Quality Service
- Commitment to Foster Good Communications
- Support to Our Clients in the Appropriate Advancement of Electronic Service Delivery
- Effective Human Resource Management Practices
- Positive Work Environment
- Establishment of a Divisional Planning Process

Report Highlights

Office of the CIO

Played a leading role in developing, implementing, and educating public sector employees in standards related to the security of Government IT systems, information, and electronic transactions; defining IT architecture for Government; coordinating the development and implementation of human resources plans to address recruitment, retention, and development of IT human resources; and assisting ITMG and other Government departments with the development of IT Strategic Plans.

Defined policies, legislation and standards to support the use of IT; coordinated the development of system-wide policies related to IT human resources development; provided project leadership and coordination of IT development within Government; and coordinated the development of cross-departmental initiatives and special projects related to the implementation of the Human Resource Plan for IT workers.

Corporate IT Human Resources Planning

A review of all IT positions occurred during this past year using the IT industry standard Occupational Skills Profile Model (OSPM). The OSPM model defines a baseline of skills and accountabilities for the occupational roles that exist in information technology work in Canada today. Following this review, the Employer and the Union of Public Sector Employees agreed that all positions which were identified to fall within industry standards as information technology workers, would be included in the Collective Agreement under a new classification series. This classification series will be known as Information Technology Officer and will include information technology levels from level 11 to level 22. The development of the IT Competency Profiling System has been completed and will provide IT managers and supervisors the information to be used in developing career paths and performance development plans.

A Corporate IT Training Fund has been in place since the 1999-2000 fiscal year in the amount of $120,000, but it has since been reduced to $97,800 annually. All ITMG IT staff and staff from departments with whom we are doing business are eligible for funding. In addition to the Corporate IT Training Fund, an additional $14,700 is spent in IT training at the departmental level.

Security

Protecting personal and business information has become an international hot issue as more business and more information gets shared on the Internet and stored on our database.

Significant effort was directed to IT Security through the following tasks:

- an IT Security Self Assessment Questionnaire for Government departments was developed and completed;
- hosted a professional training course and exam (CISSP) for 22 participants;
- participated on National CIO Sub-Committee on Information Protection;
- acted as central point for disseminating information on threats, security advice and incident response;
- participated and/or chaired in writing endorsed procedures on Media Disposal, Remote Access, Firewall Rules with other IT Security Coordinators;
- developed first steps document on Electronic Service Delivery;
- developed RFP and participated in a Vulnerability Assessment for the Business Portal;
- participated on the steering committee for the Network Infrastructure Study;
- developed an emergency contact list for OCIPEP, EMO and Government IT managers;
- participated in the creation of a change management mechanism and participated on the Change Advisory Committee;
- attended the annual CSE Symposium in Ottawa on IT Security; and
- hosted a four-day national meeting between provincial, municipal and federal governments on IT Security.

Information Systems Delivery (ISD)

- Migration of all Web based applications maintained by ISD to the WebSphere 5.0 environment
- Setup of development, quality assurance and production environments to enable the delivery of Web services to Government and the public in general
- Implementation and deployment of the web-based Crown Brief to all Law Enforcement Agencies across the Island
- Completion of the web-based Corporations Registry Licence Search (CRLS) providing this service to Islanders over the internet
- Implementation of an intranet-based Time Management System which is used for capturing time for project and work requests
- Implementation of an intranet-based Change Management System which is used to ensure that changes to the IT infrastructure and systems of Government are controlled and have the desired effects
- Development of several new software applications for various departments

IT Operations

- Implemented GroupWise e-mail for wireless PDA devices
- Implemented iFolder service for secure, encrypted access to NetWare services. iFolder allows access to the current version of files in your NetWare home directory through the iFolder client or using a web browswer. Files are encrypted in transmission and on the file server. ifolder provides the security of encrypted information and an extra level of backup for information.
- Developed a service agreement to migrate and host mainframe applications on an interim LINC environment
- Developed computing infrastructure disaster recovery plans for corporate applications

Telecommunications

- *Change Management*
  Telecommunications, along with IT Operations, implemented a change management system to request, approve and implement changes to the network. This process has resulted in an improved service delivery by allowing better analysis of the impact of the change, improving communications between sections, and providing network change history documentation.

- ***Atlantic Technology Centre (ATC) Connection***
  Designed and implemented a secure link to the ATC to provide network service delivery between the clients at the centre and the internal Government network.

- ***Analysis and Recommendations on an Upgrade of the Core Government Network***
  The core network infrastructure was subjected to a detailed evaluation to provide a network design to meet industry standards. Specifically, the evaluation looked at copper and fibre cable specifications, server farm design, inter and intra building distribution, extra-campus WAN connection points, and protocol implementation. These considerations were used to propose a design which was intended to improve overall performance and capabilities to deal with future expansion plans.

- ***Redesign and Implementation of Communication Infrastructure for Transportation and Public Works on the Second and Third Floors of the Jones Building***
  The existing data cabling on the third floor was re-terminated, as a test, to determine if existing cabling would meet the current needs of T&PW. The testing was a success, as it determined the limitations of the existing cable when upgraded to a single standard end-to-end and it provided the required background for long-term planning. Changes were made to the second floor as well, including new switched technology, which has made management of that segment of the network much easier.

- ***Migration of the Legislature Assembly From the Education Network to the Core Government Network.***
  Government-owned fibre and fibre transceivers were installed to upgrade the Legislative Assembly to a direct path to the internal Government network. These changes have greatly improved the management of this new virtual private network.

- ***Router Room Move From the Basement of the Shaw Building to the Fourth Floor of the Sullivan Building***
  In response to environmental conditions (i.e., internal building conditions and external conditions such as tidal water levels), the main communications equipment, which formed the core of the main Government network, was moved to the more accessible and environmentally friendly location on the fourth floor of the Sullivan building. This entailed a physical movement plus the creation of a more efficient network core topology. The required cable infrastructure resulted in increased network performance, particularly to the Jones building, where fibre optic trunk lines were implemented. The move also resulted in greater physical security for the infrastructure components, by reducing the number of people who have access.

- ***Created a Redesign of the Government Firewall***
  This project resulted in a more secure environment for the Government WEB servers, which are accessible from the internet.

- ***Introduced a New Remote Internet Service***
  This service is capable of high speed access used to access applications on the internal Government network and is an option to the internal dial-up system.

Interministerial Women's Secretariat

Role/Mission

The Interministerial Women's Secretariat provides policy analysis and support to the Government of PEI in order to promote conditions for legal, health, social and economic gender equality for women and men.

Overview

The Interministerial Women's Secretariat hosts an interdepartmental policy forum with representatives from all departments focusing on the impacts of policies and programs on women and men.

The Secretariat provides support and liaison to the Premier's Action Committee on Family Violence Prevention, the PEI Women's Network and the PEI Advisory Council on the Status of Women. It also supports a number of community initiatives which explore and promote gender equality.

The Secretariat provides intergovernmental policy support to the Minister Responsible for the Status of Women and represents the province on intergovernmental initiatives on the status of women as well as gender equality and diversity projects in labour, justice, health, economic, and education sectors. The Secretariat also participates on related national and international initiatives, including gender research advisory boards and policy research projects.

Report Highlights

In 2002-2003, PEI chaired the Federal/Provincial/Territorial (FPT) working group on Gender and Health which monitored gender content in publicly funded research, brought attention to gender in national population health indicators and defined emerging issues related to dependant care. Other FPT work included distribution of indicators on violence against women, *Assessing Violence Against Women: A Statistical Profile*; design of cross

jurisdictional work on taxation as a mechanism for accommodating unpaid caregiving work; production of *Workplaces that Work*, the business case for improving gender diversity in all workplaces and careers.

Related appointments include the Institute of Gender and Health Advisory Board, the Advisory Committee to Women's Health Surveillance, Co-chair of the Atlantic Centre of Excellence on Women's Health, and member of the National Steering Committee for Healthy Balance, a research project on caregiving.

The Secretariat provided time and resources to a number of family violence prevention strategies, such as distribution of violence protocols for public and private employers; research on women's access to justice, restorative justice and domestic violence courts, participation on project advisory committees.

The Secretariat completed work for the Canadian Association of Administrators of Labour Legislation (CAALL) on a Gender and Diversity Lens and an information package for employers on *Work-Life Balance*, and coordinated the development of promotional material on Gender Diversity at Work in partnership with the Public Service Commission and the Diversity and Equity Committee.

The Secretariat, after chairing the development of the Excluded Employees Training and Development Fund Policy, continues to sit on the committee responsible for administering, monitoring, and reporting on the fund.

Office of the Comptroller

Role/Mission

The Office of the Comptroller maintains the Provincial Government's corporate Accounting System, is responsible for directing financial control over the Operating Fund, administers a corporate Procurement Service, manages the corporate Vehicle Fleet Information System and has been assigned by Treasury Board the responsibility of administering the Government's corporate Computer Leasing Program. It administers accounting, financial policies, provides financial advice, maintains the Province's financial records and produces the Public Accounts of the Province annually for presentation by the Provincial Treasurer to the Legislature and general public. It provides various administrative functions relating to the Reciprocal Tax Agreement, Accounts Payable/Cheque Issuance, Federal/Provincial claims, as well as providing support and advice in matters relating to financial management and policy submissions to Treasury Board and Cabinet.

Overview

Accounting

This function is responsible for the maintenance of the Province's financial accounts, the operation and maintenance of the Province's corporate accounting system, and preparation of financial statements and the Public Accounts. It is also responsible for preparation and audit of Federal/Provincial claims, and auditing and monitoring of financial transactions being submitted for processing in the Province's financial information system.

Accounts Payable and File Maintenance

This function is responsible for the timely and accurate processing of Government payments through a decentralized payment system and the file maintenance of all supporting financial documentation.

Procurement Services

This function is responsible for the timely and economical procurement of goods and services, and the administration and management of the Government's Corporate Fleet Vehicle Information System.

Financial System Support

This function is responsible for the support necessary to operate, maintain, and establish security over the Government's corporate financial information system. Through a Helpdesk approach, procedural and functional support is provided to financial system users.

Report Highlights

Accounting

Public Accounts

The section has spent considerable time reviewing and evaluating proposed changes to Public Sector accounting standards as well as time determining the most appropriate reporting policies for the Government's pension plans.

This section continues to make changes to the presentation of the Public Accounts as prescribed by the Public Sector Accounting Board and has enhanced its skills in publishing Volumes I and II on the Province's internet site. Volume I presents the financial statements of the Consolidated Fund and the Operating Fund of the Province, while Volume II presents the details of revenues and expenditures of the Province's Operating Fund as well as a reproduction of the audited financial statements of the agencies, boards and crown corporations owned or controlled by the Province. Making this large document available on the Web site provides researchers with a practical method of obtaining information on the Province's finances and has eliminated the printing and mailing of hundreds of copies of this 700-page document.

Claims

Due to retirements in the claims section, a major review and overhaul of the processes for this section was undertaken. Considerable time was spent reviewing the present processes and the unique interactions with several departments. Work in this area will proceed in the 2003/2004 fiscal year with a streamlined and more efficient and effective process being the final product.

Tangible Capital Assets (Fixed Assets)

Preliminary work began during the year and significant time was spent in gathering more detailed information for insertion of Fixed Assets in the Statement of Financial Position of the Province. Public Sector Accounting Board recommendations, will require the Province to report on this information in the future, and the 2003-2004 Budget included information on this class of asset. This preliminary work will lead into a project of implementing a fixed asset module to manage the addition and deletion of fixed assets as well as performing calculations to determine the amortization of these assets.

Accounts Payable and File Maintenance

Two new bank services were implemented and the corresponding rollout procedures were developed to enable the Province to make payments to staff and suppliers electronically. In addition we took measures to streamline the revenue collection information that we were receiving from various banks and revenue sites into one consolidated electronic file.

Procurement Services

Procurement Services and staff from other sections of the Office of the Comptroller's Division implemented a Web based i-

Procurement system, which significantly improved departmental ability to order and approve requisitions for goods on more than 15 standing offer contracts. The project represented the first public sector implementation of Oracle i-Procurement in Canada. This new procurement tool links the users of products to electronic product catalogues and enables users to create and issue purchase orders online.

The section drafted amendments to the *Public Purchasing Act* Regulations, making them more consistent with the interprovincial trade agreements, modernizing the processes and adjusting tendering thresholds and procurement responsibilities for departments.

Procurement Services worked closely with its counterparts in other Atlantic provinces to draft amendments to the Atlantic Procurement Agreement, which will further reduce public sector procurement obstacles for PEI and Atlantic Canada vendors.

Procurement Services designed and implemented an easy-to-use electronic tendering service which advertises tenders and RAPs via the internet on the PEI Government Web site, and distributes bid documents to vendors at no charge. Among other features, the new service displays all vendors who have requested bid documents, which helps PEI and other vendors identify potential partnerships. The new system represents an annual cost avoidance of more than $60,000 for PEI-based suppliers. In followup, the section distributed a service description and survey to 1,100 PEI businesses.

Procurement Services continued to work with the other Atlantic provinces to develop easy-to-use reciprocal accesses to each other's electronic tendering systems, which further reduced procurement obstacles, and increased tender interest by Atlantic Canada's suppliers.

The section assumed leadership for the Government's computer technology leasing and support contract, and issued an RFP to identify a vendor to provide these services to departments and some central agencies.

The section worked with other Atlantic provinces to draft standard terms and conditions to be issued with Atlantic tender and RFP documents, which will simplify the process for Atlantic vendors.

The section again assisted the Department of Development and Technology with interprovincial trade and procurement policy, and worked closely with regional and PEI industry associations to identify procurement opportunities for members.

The section conducted an annual review of the Government's Corporate Vehicle Fleet, and recommended changes to Treasury Board vehicle policies. The section implemented changes to the Fleet Anywhere System, including online access to customized reports. A staff member from the section chaired and managed the transportation requirements for the Annual Canadian Premiers' Conference.

The section monitored Government's compliance with the *Public Purchasing Act* and the interprovincial trade agreements, and regularly provided guidance and assistance for departments and agencies.

The section continued to encourage and support professional procurement training for staff, and one more procurement officer achieved the National Institute of Government Purchasing's CPPB designation.

Procurement Services continued to assist PEI municipalities, academic institutions and health organizations by coordinating joint procurement such as in-province courier services, photocopiers and paper, and by offering the use of Government's electronic tendering service. The section made several presentations to post-secondary students, explaining its role, opportunities for local suppliers, and use of current technology to conduct business.

Procurement Services achieved significant savings for the PEI Government by coordinating joint tenders for several commodities with other provinces, including school buses and interprovincial courier services.

Computer Lease Program

As per Treasury Board recommendation the transfer of the Computer Lease Program from the Department of Technology was reviewed and will be effective April 1, 2003. Plans were made for handling the transfer as well as for the issuance of a new Request For Proposal to replace the current contract which expires in August of 2003.

Financial Information System

The Government's Financial system was upgraded to the next version in order to move the Government of PEI to an internet-based infrastructure which enables our Financial System to engage in e-commerce financial transacting. Three iterations or test upgrades were completed on our test system to ensure all the existing processes were problem-free and to time the upgrade cycle to plan an appropriate time schedule to upgrade the production system. Because extensive training was completed the previous year to prepare staff to use the windows based version of Oracle, the only training required for this upgrade was to have staff sessions to inform them of additional features expected.

The system was brought down at noon, Thursday, July 11, 2002, and a successfully upgraded financial system was available to Government users on Monday morning, July 15, 2002.

After the upgrade on the production environment, configuration for the i-Procurement and i-Expenses modules was done in the test system to do the review, testing and implementation of the new e-commerce functionality available with the latest version of Oracle. The i-Procurement project was begun in the fall to prepare the system for a pilot project to begin in April 2003 for a select number of users preparing requisitions for sourced or contracted items only from a shopping cart Web page.

Work continues in the effort to address e-commerce issues as identified in the corporate business strategy carried out in the previous year. Also, a number of other departments began converting their manual receivable systems over to the Government's Oracle Accounts Receivable module to make use of the immediate recording of revenue in their General Ledger accounts, standard invoices and statements, and reporting and inquiry features.

The upgrade provided improved functionality, a project was initiated to work with the bank to electronically transfer funds directly from the Government's bank account to supplier bank accounts beginning with employee payments. A modification was made to the financial system's cheque run file to capture the supplier's bank account information and e-mail address to prepare a text file to send through a secure method to the Royal Bank. When the file is received by the bank, an e-mail is sent to the suppliers with the remittance advice and the funds transfer takes place over night. All employees are being encouraged to sign up for this payment method.

Operating Statistics for the Period Ended March 31, 2003

	Number	Amount
Financial system users supported	220	n/a
Help Desk calls received	826	n/a
System vendors updated	6,057	n/a
Vendor sites updated	9,028	n/a
Invoices processed	125,884	$951,641,813.60
Batches processed	13,821	n/a
Payments issued – Cheques	63,189	$483,115,521.73
Payments issued – Electronic	3,326	$512,318,170.31
Payments issued – Internal clearing	184	$7,734,396.02
Miscellaneous cash transactions (Deposits)	7,315	$1,145,790,109.72
Cash receipts applied – External	471	$11,028,318.61
Cash receipts applied – Internal	1,797	$6,097,253.25
System customers updated	80	n/a
Manual journals processed	971	$1,320,574,104.57
Encumbrance journals processed	29	$3,662,695.54
Purchase orders issued	6,178	$18,676,741.17
Tenders processed	220	$7,290,151.00
RFPs processed	44	n/a
Savings due to tendering	n/a	$711,650.00
Corporate fleet vehicles: Purchased Leased	 227 67	 $8,506,962.00 $43,336 (per month)

Policy and Evaluation

Role/Mission

The primary role of the Policy and Evaluation Division is to support the department in promoting a corporate approach in management and policy matters with an emphasis on improving accountability and by serving as a secretariat to Treasury Board.

The Risk Management and Insurance Section is responsible for developing, implementing, and maintaining Government insurance and risk management programs with the goal of eliminating or minimizing the potential for loss to Government, associated agencies, and the health and education sectors.

Overview

The Policy and Evaluation Division provided analytical, consultative and administrative support to Treasury Board on an ongoing basis as well as undertook special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury

The majority of the division's activities are ongoing and include the following key areas:

- providing analytical, consultative and administrative services to Treasury Board;
- providing consultative services to departments and agencies on policy, operational, and administrative matters;
- improving Government's administrative policies to ensure consistency and efficiency;
- supporting departments/agencies progress toward an improved accountability and reporting framework;
- promoting improved evaluation process within Government services;
- leading and/or participating in special projects and/or initiatives identified by the department or Treasury Board;
- developing, implementing, and maintaining Government insurance and risk management programs.

Report Highlights

Management and Policy Matters

The Policy and Evaluation Division provided analytical, consultative and administrative support to Treasury Board on an ongoing basis as well as undertook special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury. As Treasury Board Secretariat, staff of the division maintained linkages with the Executive Council Office, the Legislative Review Committee and the Strategic Planning Committees on Economic Policy and Community and Social Policy.

During the past fiscal year, divisional staff represented Treasury Board on various committees including the Agricultural Insurance Corporation, the Land Use Coordinating Committee, and monitored the Government Loan Guarantee Program.

Accountability

In April 1997 Executive Council, upon the recommendation of Treasury Board, approved a Government policy for an annual reporting framework. A three-year phase-in period was provided with the understanding that all departments and reporting entities meet the intent of the policy as soon as possible. The Policy and Evaluation Division promoted further compliance with the accountability reporting requirements of the *Financial Administration Act* and Treasury Board policy through consultations and meetings with departments and agencies.

Program and Policy Evaluation

Staff of the Policy and Evaluation Division promoted evaluation within Government departments and agencies through consultations, networking and a leadership role within the PEI Chapter of the Canadian Evaluation Society (CES). The PEI Chapter of CES offered several workshops during the past year including workshops on techniques for conducting literature searches, survey sampling for non-mathematicians and ethics in evaluation.

These workshops provided training opportunities for Government employees while promoting the use of policy and program evaluation within Government. During FY 2003/2004, the PEI Chapter will continue to provide training opportunities for Government employees.

Treasury Board Policy and Procedures

The Policy and Evaluation Division is responsible for the research, development, and maintenance of corporate administrative and operational policies, and the distribution of the same through the Treasury Board Policy and Procedure Manual. The majority of Treasury Board Policies and Procedures are available on the Government Intranet.

Staff of the Policy and Evaluation Division continued to monitor and enhance services to users by drafting new corporate policies and revising existing policies in collaboration with departments responsible for their administration. During FY 2002/2003 updates and reviews of existing policies included:

- Section 8.05 – Management of Wireless Communications Devices,
- Section 9.01 – Honoraria,
- Section 13.03 – Elements of Professional Services Contracts, and
- Section 13.06 – Risk Management.

Divisional staff also facilitated the development of the department's Annual Legislative Work Plan and functioned as the legislative coordinator for the department.

Private Training Schools

In March 2000 Risk Management and Insurance and Department of Education, with approval of Treasury Board, partnered to develop regulations and an insurance policy for the Vocational Training Fund administered under the *Private Training School Act*. When implemented, all students registered as a full-time student at a private school located on Prince Edward Island will have the insurance coverage needed to complete training if a school closes or collapses financially.

A private training school computer program and database was developed and tested ready for the January 2003 start date. The focus of the program is to gather information on all eligible students who are registered with a private training school on Prince Edward Island. This covers approximately 21 schools registered under the *Private Training School Act* and an estimated 3,000 students attending these schools.

Regulations are currently being reviewed by the Office of the Legislative Counsel before being approved by Risk Management and Insurance and the Department of Education.

Storm Surge Claims

All claims from the January 2000 storm surge were finalized resulting in a total payout of $733,135.54. Auditors from Consulting and Audit Canada have reviewed all files prior to application for payment under the Disaster Financial Assistance Program (DFAA).

The auditors have determined approximately $111,782 of the claims are ineligible for cost sharing under the DFAA program. This will result in a net recovery to the Province of approximately $621,353, less per capita share of approximately $135,000, which will be adjusted by Federal auditors. Administrative costs of approximately $52,568 will be added.

Risk Management and Insurance

The table below outlines claims paid for the FYs 2001/2002 and 2002/2003.

	FY 2001/2002		FY 2002/2003	
Claims	**Number of Claims Opened**	**Claims Payout**	**Number of Claims Opened**	**Claims Payout**
Property	24	$327,303.00	36	$158,232.00
Liability	63	$211,629.00	95	$369,544.35
Automobile	36	$65,401.00	48	$56,487.91
Total	**123**	**$604,333.00**	**179**	**$584,264.26**

The insurance market continues to remain tight with brokers advising rate in Property and Casualty expected to increase 25 to 35 per cent in the coming year. In order to maintain some semblance of affordability this has required Risk Management and Insurance to reduce limits of coverage, increase deductibles and in certain cases to forego certain coverage.

Market conditions are showing moderate signs of improvement in terms of coverage availability and a tapering off of price increases, however; market capacity will remain tight in 2004 largely due to the global industry's shortage of capital. This, combined with uncertainty regarding potential interference with auto and the Provincial product reform, will make international companies hesitant to put more money in North American operations.

Claims in 2002/2003 experienced a 45 per cent increase in numbers over FY2001/2002; however, the resulting payout in terms of dollars was down by three per cent or $20,000. Claims include those in property, casualty and auto lines and cover Government departments, crown corporations, agencies and commissions, school boards/districts and regional health authorities. Claims in the auto fleet, which increased by 33 per cent, will have the most significant impact in terms of premium renewal in the coming year.

Taxation and Property Records

Role/Mission

The mandate of the Taxation and Property Records Division is to ensure fairness and equity in the application and collection of provincial tax revenues, and equity and uniformity in the production of provincial and municipal real property assessment rolls.

The division is also mandated to develop, implement and maintain land-related information systems in the area of Corporate Geomatics, Registry of Deeds and Toponymy – the study of place names.

The mandate of the division requires that services be coordinated and integrated with federal, provincial and municipal governments, and the private sector.

Overview

Taxation and Property Records Division administers the Province's property and consumption tax legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Administration Services

Administration Services Section consists of the Provincial Tax Commissioner, Administrative Assistant, Administration Services Coordinator whose staff provides financial and personnel services for the division, and a Communications Coordinator who is responsible for form design, bilingual interpretation, Web page design, and other communication media.

Audit, Collection and Inspection Services

Audit, Collection and Inspection Services is responsible for tax compliance activity, including the performance of tax audits, to determine the level of compliance with consumption tax acts and regulations. Audit, Collection and Inspection Services is also responsible for the collection of consumption

taxes due to the Province in the most effective and efficient manner, with a minimum amount of hardship to the taxpayer. The applicable acts and regulations are the *Revenue Tax Act, Revenue Administration Act, Health Tax Act, Environment Tax Act, Gasoline Tax Act,* and related regulations.

Tax Administration and Client Services

Tax Administration and Client Services is responsible for tax administration, processing of tax payments, dissemination of tax information, operation of the provincial land registry system, interpretation of all land-related documents and the provision of property mapping for Prince Edward Island. The section also maintains the Provincial Civic Address Program, Property Line Program, and provides property-related geomatics products and services to other Government departments and agencies, and the private sector.

Information Technology (IT) Services

Information Technology Services is responsible to ensure that the necessary resources, technology and support are available for IT initiatives of the division including: maintenance and support of existing computer applications and systems; the scoping, planning, researching, development/purchasing, implementation and support of new applications and systems; and the maintenance and support of local area network infrastructure environment.

Property Assessment Services

Property Assessment Services' primary function is to value all real property, as defined by the *Real Property Assessment Act,* at the indicated market value on an annual basis. This value forms the basis for the collection of provincial and municipal property taxes. The four main programs administered by the section are the Reappraisal Program, the New Construction Program, the Referral and Appeal Program and the Appraisal Services Program.

Report Highlights

GeoLinc Plus

GeoLinc Plus commenced full production in May providing access to assessment, tax, registration and property mapping information through the Internet, including FIS Oracle integration to process client payments. This is also providing free access to the Address Locator online within GeoLinc Plus application.

Changes to Legislation

A review is currently being completed of the definitions of farmers, fishers and aquaculturists, and of the lists of goods which may be purchased revenue tax exempt or on a tax-refund basis by these industry groups.

Renovations to First Floor Jones

Renovations to the first floor Jones building were completed to provide more efficient use of space for Registry, Geomatics, and Information Technology Services staff. All staff of the Information Technology Services are now housed in a single secure location with personalized access card security doors.

Professional Development Plans

Taxation and Property Records Division continues to support employee PD plans which identify training and development needs and encourages employees to participate in programs and courses being offered.

Reorganization of Tax Administration and Client Services

A review of services provided to taxpayers was completed which led to the reorganization of front counter positions within the division. Program Application Coordinator positions were created to receive all division's program applications, correspondence, forms and inquiries pertaining to registrations, and to process according to legislation.

Web Page

The division continues to develop and improve the TaxandLand Web page by providing updated information and online forms which enable taxpayers to better understand the process of collecting revenue for the Province.

Creation of Assessor Intern Positions

In the past it has been difficult to recruit individuals with the necessary qualifications and experience to fill senior property assessor positions, so intern positions have been created to recruit and train recent university graduates to fill these positions, and enrol in a program which will lead to a professional appraisal designation.

Tax Payments on Line

The division is participating in the development of a Business Portal to allow payment of taxes on line.

Small Business Seminars

Personnel of Taxation and Property Records Division, along with Canada Customs and Revenue Agency, continually participate in presentations on small businesses to the public and students.

Information Material

The division is continually reviewing, updating and publishing, in both English and French, all information material available to the public. Numerous staff can provide basic bilingual service, with access to full bilingual service upon request.

Registry Office, first floor, Jones Building

Comparison of Division Activity Over the Three-year Period 2000-2003

	2000-2001	2001-2002	2002-2003
Tax payments received in offices	243,708	249,715	255,990
Tax refunds and adjustments processed	13,284	14,377	20,171
Documents registered and interpreted (Registry of Deeds office)	16,706	18,326	19,893
New parcels (property) created	1,134	974	1,226
Subdivision plans filed	805	714	858
Registered revenue tax vendors	9,500	10,200	12,000
Registered tax exempt permit applications (farmers and fishermen)	3,669	3,719	3,435
Properties assessed	91,866	91,920	94,025
Property assessment referrals (first-level appeal)	187	196	420
Appeals to IRAC (property assessment related)	5	11	11
Provincial market value assessment	$6.38 billion	$6.4 billion	$7.2 billion
Market value of exemptions	$701 million	$712 million	$771 million
New construction reviews (property assessed value)	$175 million	$200 million	$130 million
Regular audits	178	125	70
Regular audit assessments	$4.4 million	$3 million	$1.7 million
Number of special assessments	287	334	214
Special assessments	$150,000	$256,200	$126,100

Appendix A

Department of Provincial Treasury
Expenditures by Division

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
Administration			
Administration	21,866	22,700	20,700
Equipment	7,834	8,000	6,000
Materials and Supplies	937	3,600	3,600
Professional and Contract Services	3,321	0	15,800
Salaries	352,503	429,000	432,200
Travel and Training	64,179	66,000	66,000
	450,640	529,300	544,300
Fiscal Management			
Administration	38,774	45,600	45,600
Equipment	3,062	12,700	12,700
Materials and Supplies	20,101	30,900	30,900
Professional and Contract Services	182,008	137,300	137,300
Salaries	686,710	751,300	756,700
Travel and Training	41,544	45,000	45,000
	972,199	1,022,800	1,028,200
Policy and Evaluation			
Administration	12,201	15,100	10,300
Equipment	10,126	8,100	2,300
Materials and Supplies	1,073	2,200	2,700
Professional and Contract Services	38,665	43,800	43,800
Salaries	453,239	446,000	454,300
Travel and Training	9,101	12,500	14,200
	524,404	527,700	527,600
Taxation and Property Records			
Administration	192,788	189,100	166,700
Debt	895,000	1,065,000	1,065,000
Equipment	164,754	125,000	35,000
Materials and Supplies	318,748	178,000	165,800
Professional and Contract Services	476,037	638,400	167,300
Salaries	3,611,417	3,459,300	4,126,700
Travel and Training	139,879	149,000	200,500
	5,798,624	5,803,800	5,927,000

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
Office of the Comptroller			
Administration	32,127	39,600	38,200
Equipment	342,226	22,700	24,900
Materials and Supplies	363,384	377,400	368,100
Professional and Contract Services	43,090	58,000	22,000
Salaries	910,169	926,200	1,032,400
Travel and Training	15,196	17,500	21,400
	1,706,191	1,441,400	1,507,000
Information Services			
Administration	975,667	1,001,900	1,001,900
Equipment	47,043	16,700	13,700
Materials, Supplies and Services	581,443	613,500	616,700
Professional and Contract Services	61,735	53,500	53,500
Salaries	1,674,857	1,761,500	1,851,600
Travel and Training	21,171	27,800	29,500
	3,361,917	3,474,900	3,566,900
Economics, Statistics and Federal Fiscal Relations			
Administration	5,569	10,400	10,400
Equipment	892	3,500	3,500
Materials, Supplies and Services	2,909	2,800	2,800
Professional and Contract Services	18,241	29,000	29,000
Salaries	283,309	268,800	380,400
Travel and Training	33,155	49,300	49,300
	344,076	363,800	475,400
Information Technology Management Group			
Administration	161,782	161,000	173,300
Equipment	176,769	65,100	17,700
Materials, Supplies and Services	1,536,769	1,535,600	1,576,700
Professional and Contract Services	38,062	28,500	0
Salaries	2,980,286	3,064,200	3,255,600
Travel and Training	177,559	204,000	178,800
	5,071,228	5,058,400	5,202,100
Total Department Expenditures	18,229,280	18,222,100	18,778,500

Appendix B

Department of the Provincial Treasury

Revenue

	Unaudited Actual 2002/2003 $	Budget Estimate 2002/2003 $
Federal		
Equalization	222,377,000	255,000,000
Canada Health and Social Transfer	89,488,161	89,086,000
Statutory Subsidy	677,905	674,000
Miscellaneous	0	180,000
Total Federal Revenue	312,543,066	344,940,000
Provincial		
Lottery Commission	16,411,512	17,000,000
Health Tax on Liquor	11,415,649	10,931,700
Health Tax on Tobacco	21,736,764	23,000,000
Real Property Tax	51,665,070	50,200,000
Revenue Tax (Sales Tax)	165,212,611	159,100,000
Gas Tax	35,984,480	36,000,000
Income Tax – Personal	174,362,986	168,514,000
Income Tax – Corporate	16,872,244	25,038,300
Corporation Capital Tax	1,470,073	1,650,000
Environmental Tax	333,766	250,000
Land Title and Registration Fees	2,025,738	1,423,000
Fees and Services	8,079	184,600
Sales and Miscellaneous	814,534	816,200
Self Insurance Rebate	250,789	209,200
Cheques Written Off	193,413	0
Miscellaneous	8,000,000	8,000,000
Total Provincial Revenue	506,757,708	502,317,000
Investment Revenue	13,833,155	13,105,800
Total Departmental Revenue	**520,590,863**	**515,422,800**

Appendix C

Department of the Provincial Treasury
Other Expenditure Budgetary Responsibilities

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
General Government			
Miscellaneous General	248,264	261,800	**261,800**
Miscellaneous Grants	1,993,202	1,939,700	**1,939,700**
Government Insurance Program	1,018,323	1,023,100	**973,100**
Salary Negotiations	0	0	**2,900,000**
Contingency Fund	7,821,548	1,000,000	**2,000,000**
Total General Government	**11,081,338**	**4,224,600**	**8,074,600**

Explanation Notes:

- **Miscellaneous General** provides funding for the Premier's and Ministers' out-of-province travel, cabinet meetings, protocol-related expenses and unanticipated expenditures realized.
- **Miscellaneous Grants** includes grants-in-lieu of property tax, grants for race track programs and other miscellaneous grants.
- **Government Insurance Program** provides insurance coverage to all Government departments, and many crown corporations, agencies and commissions.
- **Salary Negotiations:** This budget is established for wage adjustment estimated costs as a result of negotiations on new public sector employment agreements. For FY02/03 negotiated settlements were reached in the Education Sector with CUPE Locals 1145 (Transportation Group), 1770 (School Secretaries Administrative Support Group), and 1775 (Property Maintenance Group) and in the Health Sector with the PEI Nurses' Union and Excluded Employees. The forecast costs for these settlements have been included in the Departmental budgets responsible for the payments (ie. Education and Health and Social Services).
- **Contingency Fund:** this allocation was used by Government for unanticipated or unusual costs that occurred throughout the fiscal year but had not been budgeted.

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
Interministerial Women's Secretariat			
Administration	1,249	1,400	1,000
Equipment	321	0	0
Materials, Supplies and Services	484	300	500
Professional and Contract Services	11,484	18,800	18,500
Salaries	114,844	121,000	120,900
Travel and Training	4,681	6,000	6,000
Grants			
Advisory Council on the Status of Women	144,300	144,300	144,300
Women's Network	8,505	8,500	8,500
Total Interministerial Women's Secretariat	**285,869**	**300,300**	**299,700**

The Interministerial Women's Secretariat provides policy analysis and support to the Government of PEI in order to promote conditions for legal, health, social, and economic gender equality for women and men.

The Secretariat provides support for the work of the Premier's Action Committee on Family Violence Prevention, the PEI Women's Network and the PEI Advisory Council on the Status of Women. It coordinates policy liaison and support to a number of community initiatives which explore and promote gender equality.

The Secretariat provides intergovernmental policy support to the Minister Responsible for the Status of Women and represents the Province on intergovernmental initiatives on the status of women, gender equality and diversity projects in labour, justice, health, economic, and education sectors. The Secretariat participates in gender-related national and international initiatives, such as gender policy advisory boards and gender research projects.

Current board appointments include the Institute of Gender and Health in the Canadian Institutes of Health Research, the Advisory Board for the national Women's Health Report, Commonwealth Gender and Health Institute project, and co-chair of the Atlantic Centre of Excellence on Women's Health.

	Unaudited Actual 2002/2003 $	Estimate Budget 2002/2003 $
Council of Maritime Premiers		
Maritime Provinces Education Foundation	15,917	16,200
Council Secretariat	85,890	76,700
Maritime Municipal Training and Development Board	0	24,600
Maritime Provinces Higher Education Commission	64,250	50,800
Geomatics Board	17,021	15,400
Total Council of Maritime Premiers	**183,078**	**183,700**

Explanation Notes:

The Council of Maritime Premiers is funded by the three Maritime Provinces. Contributions are based on population and upon the recommendation of the Regional Treasury Board.

	Unaudited Actual 2002/2003 $	3rd Quarter Forecast 2002/2003 $	Budget Estimate 2002/2003 $
Interest Charges on Debt			
Interest – Debentures	81,264,648	81,250,500	80,664,700
Interest – Canada Pension Debentures	13,533,976	13,537,900	13,545,600
Interest – Treasury Notes	4,995,561	5,354,600	11,302,400
Interest – Deposit Receipts	58,707	0	0
Interest – Federal Loans	157,476	154,600	154,600
Interest – Other	346,899	34,000	176,000
Financial Activity Fees	4,586	3,000	0
Interest – Bank Overdraft Interest	7,323	0	100,000
Total Interest	**100,369,175**	**100,334,600**	**105,943,300**
Amortization of Debenture Discount	565,344	565,400	556,700
Total Interest Charges on Debt	**100,934,519**	**100,900,000**	**106,500,000**

Notes:

Interest: Appropriations provided for the funding of interest cost associated with monies borrowed by way of issuance of Provincial Debentures, Provincial Deposit Receipts, Treasury Notes, as well as borrowing through the use of bank lines of credit and loans from the Federal Government and the Canada Pension Plan.

Amortization of Debenture Discount: Annual provision required in order to write-up, over the term of the debenture, the cost associated with debenture issues at a discount.

Printed by the Document Publishing Centre
Photos: Multimedia Services
Design: Strategic Marketing and Graphic Design
2004

04AN35-7968